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PLM-11

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

FILE: B-191087

DATE: February 28, 1979

MATTER OF: Ronald F. Houska - Real Estate Expenses

*[Claim for  
per name  
ALCDOOLK*

DIGEST: Employee of Veterans Administration transferred to new duty station is not allowed real estate expenses when settlement occurred after 1 (initial) year of reporting to new station since this Office did not find any abuse of discretion on VA's part in its determination that employee was not entitled to an additional 1 year extension under paragraph 2-6.1e of the Federal Travel Regulations (FTR) (FPMR 101-7, May 1973).

This action is in response to an appeal by Mr. Ronald F. Houska, an employee of the Veterans Administration, of our decision B-191087, March 14, 1978, concerning reimbursement of real estate expenses incurred in connection with the purchase of his residence incident to a permanent change of station.

Mr. Houska received a permanent change of duty station from Leavenworth, Kansas, to Dayton, Ohio, with a reporting date of August 1, 1976. Upon arrival in Dayton Mr. Houska was single and began renting an apartment. In August 1977, he was married and on October 31, 1977, made settlement on a home. He thereafter submitted a claim for reimbursement for real estate expenses incident to the purchase.

Reimbursement to Federal employees of certain expenses incurred in connection with residence transactions incident to a transfer of duty station is governed by section 5724a(4) of title 5, United States Code.

By Executive Order No. 11609, July 22, 1971, the Presidential authority to issue regulations under 5 U.S.C. 5724a was delegated to the General Services Administration (GSA). Pursuant to this authority, the GSA promulgated paragraph 2-6.1 of the Federal Travel Regulations (FTR) (FPMR 101-7, May 1973) which governs time limitations for reimbursement of expenses incurred in connection with real estate transactions and provides in pertinent part as follows:

"e. Time limitation. The settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested are not later than 1 (initial) year after the date on which the employee reported for duty at the new official station. Upon an

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employee's written request this time limit for completion of the sale and purchase or lease termination transaction may be extended by the head of the agency or his designee for an additional period of time, not to exceed 1 year, regardless of the reasons therefor so long as it is determined that the particular residence transaction is reasonably related to the transfer of official station."

In Houska, supra, we stated that since the determination to grant an extension after the expiration of the initial 1 year period was a matter within the discretion of the head of the agency or his designee, we would not object to payments made pursuant to the agency determinations unless they appeared to be arbitrary or capricious. Paragraph 2-6.1e of the FTR does not establish fixed rules to be applied in cases such as this. Rather, the regulation gives the agency broad authority within which it must determine whether the sale or purchase of a house is reasonably related to the transfer of official station. Even though Mr. Houska's transfer to Dayton was authorized as in the interest of the Government, it does not necessarily follow that his purchase of a house more than one year after that transfer was reasonably related to his transfer. Cf. B-188083, June 27, 1977.

In the present case, the Veterans Administration had determined that the purchase of a house was not reasonably related to a permanent change of station but was more for the convenience of the employee. In making that determination, the Veterans Administration considered, inter alia, Mr. Houska's change of marital status. On the record before us, it cannot be said that the administrative decision was arbitrary, capricious or an abuse of discretion.

Accordingly, our decision B-191087, March 14, 1978, is sustained.

  
Deputy Comptroller General  
of the United States